



*United States Attorney  
Southern District of New York*

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FOR IMMEDIATE RELEASE  
MAY 10, 2004

CONTACT: U.S. ATTORNEY'S OFFICE  
MARVIN SMILON, HERBERT HADAD  
MICHAEL KULSTAD  
PUBLIC INFORMATION OFFICE  
(212) 637-2600

**AVRAM LEBOR IS SENTENCED TO 87 MONTHS IN U.S. PRISON  
FOR MULTIMILLION-DOLLAR REAL ESTATE LOAN SCHEME**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York announced that AVRAM LEBOR, also known as "AVI LEBOR," President of MKD Capital Corporation in Manhattan, was sentenced today to 87 months in prison for wire fraud and conspiracy to commit wire fraud. LEBOR, who pled guilty to those charges on November 5, 2003, was sentenced in Manhattan federal court by United States District Judge NAOMI REICE BUCHWALD. The judge also ordered LEBOR to pay restitution in a preliminary amount of \$8,481,606.

According to the Information and LEBOR's statements in open court during his guilty plea proceeding, LEBOR held himself out as a direct lender or mortgage banker for commercial real estate development loans, capable of providing multimillion-dollar loans. From at least 1998 to MAY 2002, LEBOR and his co-conspirators participated in a massive scheme to defraud developers seeking to obtain financing for development projects

by: (i) falsely representing that MKD Capital had to access funds for loans for multimillion-dollar real estate projects; (ii) falsely promising to provide loans for these projects; and (iii) inducing developers to pay millions in advance fees as a condition of MKD's review of their applications and its promise to provide loans.

According to the Information, LEBOR and his co-conspirators promised to provide a total of at least \$2.5 billion dollars in commercial real estate loans. MKD failed to fund any of these loans, but Lebor and his co-conspirators kept approximately \$9 million in purportedly "fully refundable" application deposits and approximately \$500,000 in legal retainer fees.

In his guilty plea, LEBOR admitted that he had accepted advance fees from individuals in return for obtaining financing for real estate development projects, and that he, and others at his direction, lied to developers in order to collect the advance fees he required from his customers.

LEBOR, 55, who lives in Lawrence, N.Y., was ordered to report to the Bureau of Prisons to commence serving his sentence on August 10, 2004.

Mr. KELLEY praised the investigative efforts of the FBI in this case.

Assistant United States Attorney JENNIFER MOORE is in charge of the prosecution.